

30. **Identity of Interest** means a financial, familial or business relationship that permits less than an arm's length transactions. No matter how many transactions are made subsequently between persons, corporations, or trusts Controlled by the Ownership Entity/Developer, these subsequent transactions shall not be considered "arm's-length". Identity of interest includes but is not limited to the following: the existence of a reimbursement program or exchange of funds; common financial interests; common officers, directors or stockholders; family relationships among the officers, directors or stockholders; the entity is Controlled by the same group of corporations; a partnership and each of its partners; a limited liability company and each of its members; or an S Corporation and each of its of its shareholders.
31. **In-fill Lot** means land that has been platted and subdivided, and must have been previously improved.
32. **IRS** means the Internal Revenue Service, or its successor.
33. **Integrated Setting** means mixed population housing that is integrated "in the community" rather than in certain buildings.
34. **Land Use Restrictive Covenants a/k/a District of Columbia Department of Housing and Community Development Indenture of Restrictive Covenants for Low-Income Housing Tax Credits (Restrictive Covenants)** means an agreement between DHCD and the Ownership Entity and all of its successors in interest where the parties agree that the Project will be an affordable housing Project for the length of the Compliance Period elected by the Ownership Entity and upon which the award of Tax Credits was in part, based. The Restrictive Covenants will contain language that must encumber the land where the Project is located for the life of the agreement. The Restrictive Covenants must conform to the requirements of IRC Section 42(h), and this QAP.
35. **Low-Income Unit** means any residential rental unit if such unit is rent-restricted and the occupant's income meets the limitations applicable as required for a qualified low-income housing Project.
36. **Metropolitan Statistical Area (MSA)** means a central city containing at least 50,000 people with a total metropolitan population of at least 100,000 as defined by the U.S. Census Bureau.
37. **Older Persons** means a person 55 years of age or older, in accordance with District of Columbia law.
38. **Ownership Entity** means any Person and any Affiliate of such Person:
- a. Submitting an Application to DHCD requesting a Tax Credit Reservation pursuant to this QAP.
 - b. Who receives a Tax Credit Reservation, Carryover Agreement or 8609 Tax Credit Allocation.

- c. Who is the successor in interest to the Developer who owns or intends to own and develop a Project or expects to acquire Control of a Project consistent with Control documents provided by the Ownership Entity to DHCD as part of the Application.
39. **People with Disabilities or Disability** The term “disability” means, with respect to an individual (A) a physical or mental impairment that substantially limits one, or more, of the major life activities of such individual (B) a record of such an impairment; or (C) being regarded as having such impairment.
40. **Project** means a low-income rental housing property the Developer of which represents that it is or will be a qualified low-income housing Project within the meaning of IRC Section 42(g). With regard to this definition, the Project is that property which is the basis for the Application.
41. **Property** means the real estate and all improvements thereon, which are the subject of the Application, including all items of personal property affixed or related thereto, whether currently existing or proposed to be built thereon in connection with the Application.
42. **Qualified Allocation Plan (QAP)** means a plan to select and award Tax Credits to qualified recipients.
43. **Qualified Basis** means, with respect to a building within a Project, the building's Eligible Basis multiplied by the Applicable Fraction, within the meaning of IRC Section 42(c)(1).
44. **Qualified Census Tract** means any census tract which is so designated by the Secretary of HUD and, for the most recent year for which census data are available on household income in such tract, either in which 50 percent or more of the households have an income which is less than 60 percent of the adjusted gross median income for such year or which has a poverty rate of at least 25 percent.
45. **Qualified Non-profit Organization or Non-profit** means an organization that is described in IRC Section 501(c) (3) or (4), that is exempt from Federal income taxation under IRC Section 501(a), that is not affiliated with or Controlled by a for profit organization, and includes as one of its exempt purposes the fostering of low-income housing within the meaning of IRC Section 42(h) (5) (C) and is allowed by law or otherwise to hold and develop property.
46. **Qualified Non-profit Project** means a Project in which a qualified Non-profit organization has Control (directly or through a partnership or wholly owned subsidiary as defined in IRC Section 42(h) (5) (D) (ii)) and materially participates (within the meaning of IRC Section 469(h)) in its development and operation throughout the Compliance Period.
47. **Qualified Residential Rental Property** shall have the same meaning as defined in IRC

Section 103.

48. **Real Estate Owned (REO) Projects** means any existing residential development that is owned or that is being sold by an insured depository institution in default, or by a receiver or conservator of such an institution, or is a property owned by HUD, Federal National Mortgage Association (Fannie Mae), Federal Home Loan Mortgage Corporation (Freddie Mac), a Federally chartered bank, a savings bank, a savings and loan association, the Federal Home Loan Bank (FHLB), a Federally approved mortgage company or any other Federal agency.
49. **Recovered Tax Credits** means either Tax Credits previously awarded to a Project or Projects that cannot use all the Tax Credits the Project was awarded or Tax Credits from Projects that cannot be placed in service by the Developer/Ownership Entity.
50. **Rehabilitation Expenditure** means depreciable expenditures, which are for Property or improvements that are chargeable to the capital account and which are incurred in connection with the rehabilitation of a building. Rehabilitation Expenditures are not eligible for Tax Credits unless the expenditures are allocable to or substantially benefit one or more Low- Income Units and the amount of such expenditures during any twenty-four month period selected by the Developer is at least the greater of 10 percent of the Developer's adjusted basis of the building at the start of the twenty-four month period, or \$6,000 per unit. See also, IRC Section 42(e) (2).
51. **Single Family** means a single-family residence whether detached or vertically attached, including a town-home, duplex, triplex or fourplex.
52. **State Ceiling** means the limitation imposed by IRC Section 42(h) on the aggregate amount of Tax Credit allocations that may be made by DHCD during any calendar year, as determined from time to time by DHCD in accordance with IRC Section 42(h)(3).
53. **Tax Credit** means the Low-Income Housing Tax Credits issued pursuant to the program, IRC Section 42 and Chapter 42 of Title 10 DCMR. Tax Credits are determined under IRC Section 42(a) for any taxable year in the Tax Credit Period equal to the amount of the Applicable Percentage of the qualified basis for each qualified low-income building.
54. **Tax Credit Allocation or Reservation** amount means, with respect to a Project or a building within a Project, the amount of Tax Credit DHCD allocates to a Project and determines to be necessary for the financial feasibility of the Project and its viability as a qualified low-income housing Project throughout the Compliance Period.
55. **Tax Credit Period** means, with respect to a building within a Project, the period of ten taxable years beginning with the taxable year the building is placed in service or, at the election of the Ownership Entity the succeeding taxable year, as more fully defined in IRC Section 42(f)(1).


56. **Tenants with Special Housing Needs** means affordable, supportive housing for People with Disabilities, Older Persons or Frail Older Person, certified Assisted Living, Transitional Housing for the homeless, or housing for families participating in organized programs to achieve economic self-sufficiency.
57. **Total Project Cost** means the total costs reflected in the Application.
58. **Transitional Housing** means a unit that contains sleeping accommodations, a kitchen and bathroom facilities and is located in a building which is used exclusively to facilitate the transition of homeless individuals to independent living within 24 months and in which a Governmental Entity or qualified Non-profit organization provides such individuals with temporary housing and supportive services designed to assist such individuals in locating and retaining permanent housing.
59. **Unallocated or Unreserved Tax Credits** means Tax Credits that were not awarded by DHCD during its most recent round of allocation or are returned to DHCD during the current year. These Tax Credits would be eligible for redistribution in accordance with the rules of DHCD or may be carried forwarded to the next year's allocation cycle.
60. **Utilities** mean oil, gas, electricity, and water and sewer service.

FOR MORE INFORMATION

For applications or for additional information, please contact

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APPROVED:



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